



Delhi Telephone Company

107 Main Street, P.O. Box 271
Delhi, New York 13753
(607) 746-2111

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FEDERAL COMMUNICATIONS COMMISSION
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FILE

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SEP 8 1992 September 2, 1992

MAIL BRANCH

Ms. Donna Searcy
Secretary of the FCC
1919 M Street, Room 222
Washington, D.C. 20554

Dear Ms. Searcy:

Enclosed please find an original and 10 copies of our comments
regarding CC Docket No. 92-133.

Please stamp and return one copy of the filing. A self-addressed
postage paid envelope is included for this purpose.

Very truly yours,


Curtis W. Barker
Vice President/General Manager

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September 8, 1992
MAIL BRANCH

In the Matter of:

Amendment of Parts 65 and 69 of
the Commission's Rules to Reform
The Interstate Rate of Return
Prescription and Enforcement
Processes

CC Docket No. 92-133

COMMENTS OF THE DELHI TELEPHONE COMPANY

The Delhi Telephone Company, Delhi, N.Y., pursuant to the Notice of Proposed Rulemaking and Order of the Federal Communications Commission (Commission), respectfully submits its Comments in the above-captioned proceeding. Delhi Telephone Company is a local exchange carrier providing service to 4600 access lines in a rural section of New York State.

Delhi Telephone Company supports the implementation of procedures that treats small companies fairly. The current rules are very complex and time consuming and we encourage the adoption of simpler and more flexible regulations.

The Commission proposes to continue the unitary rate of return. Delhi Telephone Company fully supports this proposal. Delhi Telephone concurs in the belief the best surrogate group for the interstate access services of small LECs is a composite of the Bell Operating Telephone Companies (BOCs). We understand that the BOCs' capital

structures are readily available in the FCC Annual Report Form M. Their debt costs and percentage of total capital are therefore easily determined, and can be simply averaged into composite industry figure for application to the rate of return carriers. The BOCs provide about 80% of the industry's local exchange access lines, so their capital structures and debt costs would certainly represent the industry as a whole.

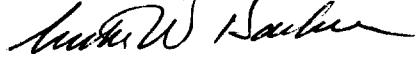
Delhi Telephone Company believes that any new rules should not use the capital costs or financial structures of the over 1,300 local exchange companies regulated under rate of return. The data for these carriers would be very costly to collect, would not be consistent within themselves, and in many cases would not be available. In order to avoid the immense complications of attempting even to collect the data, the Commission should rely on BOC data which is already prepared and filed with the Commission.

We believe that codification of any method for determining the cost of equity would severely restrict the Commission's flexibility, and could make future represcriptions more complex. This would be contrary to the Commission's simplification objectives.

The Commission proposes that a represcription be initiated only when capital markets change so significantly and persistently that LEC costs of capital might also change. This method unties the Commission from mandatory represcription and allows for the consideration

of special circumstances at the time or in the near future. Delhi
Telephone Company supports the proposal of USTA on this issue.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Curtis W. Barker".

Curtis W. Barker
Vice President/General Manager